

**Representative A. Cory Maloy** proposes the following substitute bill:

**FIREARMS FINANCIAL TRANSACTION AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: A. Cory Maloy**

Senate Sponsor: Chris H. Wilson

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**LONG TITLE**

**General Description:**

This bill addresses consumer transactions related to firearms.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ prohibits the use of a firearms merchant category code;
- ▶ establishes a complaint process and civil penalties for certain violations; and
- ▶ gives enforcement powers to the attorney general.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**13-70-101**, Utah Code Annotated 1953

**13-70-201**, Utah Code Annotated 1953

**13-70-301**, Utah Code Annotated 1953

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26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section 13-70-101 is enacted to read:

28 **CHAPTER 70. FIREARM FINANCIAL TRANSACTIONS**

29 **Part 1. General Provisions**

30 **13-70-101. Definitions.**

31 (1) "Ammunition" means ammunition or cartridge cases, primers, bullets, or propellant  
32 powder designed for use in a firearm.

33 (2) "Customer" means an individual who presents a payment card to a merchant for the  
34 purchase of a good or service.

35 (3) "Financial entity" means any person involved in facilitating or processing a  
36 payment card transaction, including:

37 (a) a payment card network;

38 (b) a merchant acquirer; or

39 (c) a payment facilitator.

40 (4) "Firearm" means the same as that term is defined in Section [76-10-501](#).

41 (5) (a) "Firearm accessory or component" means a device specifically adapted to:

42 (i) enable the wearing or carrying about one's person or the storage or mounting in or  
43 on any conveyance of a firearm; or

44 (ii) be inserted into or affixed to a firearm to enable, alter, or improve the functioning  
45 or capabilities of the firearm.

46 (b) "Firearm accessory or component" includes a telescopic or laser sight, magazine,  
47 flash or sound suppressor, folding or aftermarket stock or grip, speedloader, brace, ammunition  
48 carrier, or light for target illumination.

49 (6) "Firearms code" means the merchant category code 5723, approved in September  
50 2022 by the International Organization for Standardization, for firearms retailers.

51 (7) "Firearms retailer" means a merchant engaged in the lawful business of selling or  
52 trading firearms, firearm accessories or components, or ammunition.

53 (8) "Merchant" means a person physically located in the state who accepts a payment  
54 card from a customer for the purchase of a good or service.

55 (9) "Payment card" means a card, code, or other means by which a person may debit a  
56 deposit account or use a line of credit to purchase a good or service.

57 (10) "Reloading supplies" means any equipment, component, or material designed for  
58 the reloading of ammunition, including reloading presses, shell holders, powder measures,  
59 priming tools, reloading manuals, casings, and gunpowder.

60 Section 2. Section **13-70-201** is enacted to read:

61 **Part 2. Prohibited Conduct**

62 **13-70-201. Limitations on firearms merchant codes.**

63 (1) For the processing of a payment card transaction, a financial entity may not assign  
64 to a firearms retailer or require a firearms retailer to use the firearms code.

65 (2) For purposes of the sale of a firearm, a firearm accessory or component,  
66 ammunition, or reloading supplies, a firearms retailer may not provide the firearms code to a  
67 financial entity.

68 (3) A financial entity may not otherwise classify a firearms retailer separately from  
69 general merchandise retailers or sporting goods retailers.

70 (4) Nothing in this chapter:

71 (a) limits a financial entity's ability to:

72 (i) negotiate with responsible parties; or

73 (ii) comply with state or federal laws or regulations; or

74 (b) impairs a financial entity's activities related to dispute processing, fraud or  
75 compliance management, or protecting transaction integrity from concerns related to illegal or  
76 suspicious activities, data breaches, or cyber risks.

77 Section 3. Section **13-70-301** is enacted to read:

78 **Part 3. Enforcement**

79 **13-70-301. Enforcement powers of the attorney general.**

80 (1) (a) The attorney general has the sole authority to enforce the provisions of this  
81 chapter.

82 (b) Nothing in this chapter creates a private right of action.

83 (2) (a) If a person believes that a financial entity violated or is in violation of this  
84 chapter, the person may file a complaint with the attorney general.

85 (b) Upon receipt of a complaint, the attorney general shall initiate an investigation.

86 (3) If, based on investigation, the attorney general believes that a financial entity  
87 violated or is in violation of this chapter, the attorney general shall send the financial entity

88 written notice that identifies each violation and directs the financial entity to cease each  
89 violation within 30 days after the day on which the financial entity receives the notice.

90 (4) (a) The attorney general shall initiate a civil action against a financial entity that  
91 fails to cease a violation of this chapter within the 30-day time period described in Subsection  
92 (3).

93 (b) In an action under this subsection, the attorney general may seek, and the court may  
94 order:

95 (i) injunctive relief;

96 (ii) (A) if the court determines that the financial entity recklessly violated a provision  
97 of this chapter, a civil fine of \$10,000 for each violation or actual damages, whichever is  
98 greater; or

99 (B) if the court determines that the financial entity willfully violated a provision of this  
100 chapter, a civil fine of \$25,000 for each violation or actual damages, whichever is greater; and

101 (iii) costs and reasonable attorney fees to the attorney general if the court issues an  
102 injunction or imposes a civil fine.

103 **Section 4. Effective date.**

104 This bill takes effect on May 1, 2024.